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Congressman Paul Ryan Working for Energy Solutions

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Congressman Ryan studies the workings of a gasoline storage facility.



Congressman Ryan learns about the problem of limited refinery capacity at an oil refinery.

CONGRESSMAN PAUL RYAN

SOLUTIONS TO RISING PRICES AND
ENERGY DEPENDENCE



Congressman Ryan fills his gas tank while hearing from a constituent about the high cost of gasoline.

SERVING WISCONSIN'S FIRST DISTRICT

THE SOLUTIONS

INCREASING SUPPLY

I support opening a portion of the Arctic National Wildlife Refuge (ANWR) to limited exploration and streamlining the permit process to allow for new refineries to be built in the U.S. ANWR is nearly 20 million acres in size, or almost the same area as Indiana. Surface drilling equipment and production facilities in ANWR would be limited to 2,000 acres—which is the size of Mitchell Airport in Milwaukee. According to the Energy Information Administration, the oil deposits at ANWR could replace the current imports we buy from Saudi Arabia for 20 years. In addition, oil companies would operate there under the strictest of environmental standards. The House passed legislation allowing exploration in ANWR. The bill now faces a filibuster in the Senate.

FIXING BOUTIQUE FUELS

I have been working hard to address the boutique fuels problem since 2001. There are about 18 base fuels, which translate into around 45 different fuel blends used throughout the U.S. Last summer, I made significant progress on this issue when the President signed my legislation to cap the total number of boutique fuels. Because of regulations, the number of fuels could have doubled in the next year without legislative action.

I am currently working on a bill to lower the number of blends in existence. My legislation will incrementally reduce the number of boutique fuels used in the U.S. and move toward a limited slate of fuels that areas will choose from to meet Clean Air Act standards. I succeeded in passing a similar bill in the House last year, yet the Senate failed to pass it. My latest proposal to shrink the number of fuels is expected to be considered by the House in the next few weeks.

I also support legislation that was recently enacted to punish any instances of price gouging by oil companies.

DEVELOPING ALTERNATIVE FUELS

I support the development of alternative fuels. Much like the Manhattan Project of World War II that produced the atomic bomb, I voted to put our best scientists to work to end our need for oil—foreign or domestic. American automakers have begun to take strides in this area with the production of vehicles, some of which are manufactured in Wisconsin, that run on ethanol. Other technology includes the development of vehicles that run on electricity and hydrogen. With my support, Congress passed a new law to dramatically expand research funding to develop renewable fuels and alternative energy sources.



FOR MORE DETAILED INFORMATION:

Visit my website at www.house.gov/ryan to read my Gas Prices Issue Paper or call my office toll free at 1-888-909-RYAN (7926) and request that a copy of my Gas Prices Issue Paper be mailed to you.

This time last year, the average cost of gasoline per gallon was \$2.15. Today, a gallon of gas is around \$3. I share consumers' frustration about the high prices. The additional expense threatens our nation's healthy economy and has a negative impact on our wallets each time we fill up our tanks.

THE PROBLEM

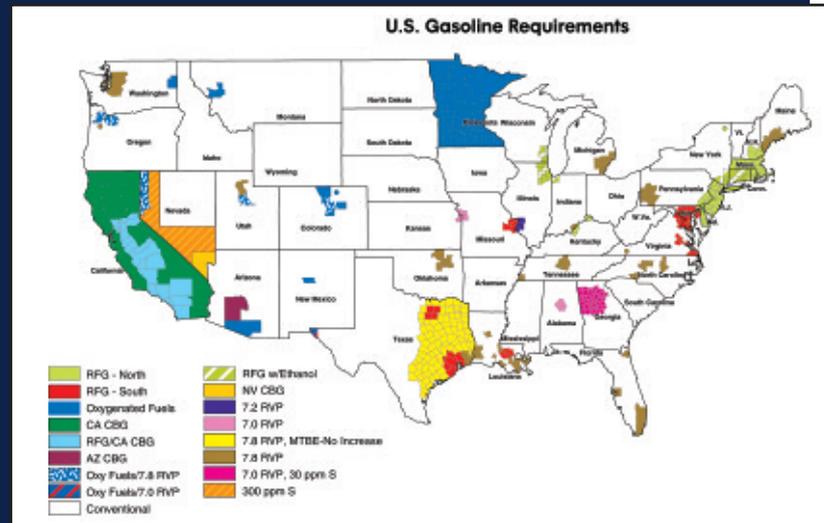
The primary cause of expensive gasoline is an imbalance between supply and demand. Our demand for gasoline continues to rise, but key proposals to increase our domestic supply of oil have not passed. Now, foreign oil imports have grown to more than 60% of total oil usage in the U.S. This is a major problem when oil is trading around \$70 per barrel, compared to \$48 this time last year, due to factors such as OPEC's unwillingness to expand production and growing demand from developing countries.

Compounding the supply problem is the fact that no oil refineries have been built in the U.S. since the 1970s. Consequently, we now must import more than 10% of our finished gasoline. Once the gasoline is available for sale, the federal gas tax of 18.4 cents and the Wisconsin gas tax of 31.1 cents add another 49.5 cents in tax to the cost per gallon.

We also pay more for gasoline because of an outdated reformulated gasoline policy that requires different areas of the country to use different blends of fuel to meet environmental requirements (see map). This fragmented system results in the under-production of fuel blends and allows refineries to charge more for the unique boutique fuels that they produce, due to a lack of competition in the marketplace. Boutique fuels also cause price spikes when there is a refinery fire or pipeline break because there are few refineries that can make the special blend to cover the loss in capacity. Furthermore, areas like Southeastern Wisconsin that are required to use different fuels during the winter and summer months experience price spikes when the transition between fuel types is made.



Congressman Ryan listens to a gas station owner explain the impact of boutique fuels on gas pump operations.



This map illustrates the U.S. policy that requires different areas of the country to use different blends.